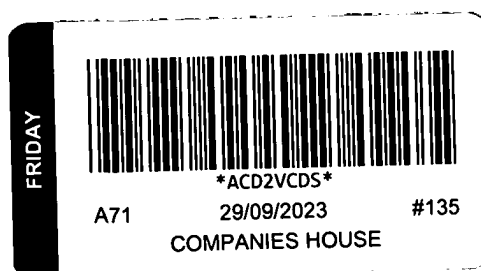


Company registration number 02928971 (England and Wales)

NORTHERN RACES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



NORTHERN RACES LIMITED

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NORTHERN RACES LIMITED

COMPANY INFORMATION

Directors	S A J Nahum M Spincer	(Appointed 28 February 2022)
Secretary	M Hill	
Company number	02928971	
Registered office	Millbank Tower 21-24 Millbank London SW1P 4QP	
Auditor	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ	

NORTHERN RACES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

The principal activity of the company is that of an intermediary holding company.

Review of business

The directors consider the performance of the company and the year-end position to be satisfactory.

The company's principal revenue streams are dependent on British horseracing fixtures being staged. The year was to be one of recovery from COVID-19, with the return of spectators and on course events for the full year.

The year started strongly. However, the conflict in Ukraine has had a large impact on food and fuel prices forcing the UK CPI rate to double and reach 10.5% by the end of 2022. The increased cost of living has put pressure on UK leisure spending habits upon which the company relies.

In 2022 turnover increased from £5.4m in 2021 to £6.4m. Profit on ordinary activities before taxation increased from a profit of £497k in 2021 to a profit of £585k.

The Company has remained in a positive cash position during the year. Investment in fixed assets has been minimised during the year with all other expenditure closely monitored. Other material balance sheet movements relate to changing intercompany balances as funds are moved around to support other group companies.

Section 172 statement

Section 172 of the Companies Act 2006 requires Directors, in the case of the Board (and by delegation the Executive Management team), to take into consideration the interests of stakeholders and other matters in their decision making. The Board has regard to the interests of the Company's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct. In this context, acting in good faith and fairly, the Board considers what is most likely to promote the success of the Company. We explain below, how the Board engages with stakeholders.

- Relations with key stakeholders such as employees, shareholders and suppliers are considered in more detail below.
- The Board is fully aware of its responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.
- The Board regularly reviews the principal stakeholders and how it engages with them. This is achieved through information provided by the Executive team and also, within the Racing industry, by direct engagement with stakeholders themselves.
- We aim to work responsibly with our stakeholders, including suppliers. The Board continues to have a diligent adoption policy for statutory measures which most recently have included anti-corruption and anti-bribery, equal opportunities and whistleblowing policies, the Corporate Criminal Offences Act and IR35.

Approach to engagement with stakeholders

- The company is able to take a long-term view and this approach is reflected also in the engagement with the various stakeholders expected to be impacted by the Board's decisions. As part of this, the Board maintains an ethos of being held to the highest possible standards of corporate conduct.
- The Board is in regular communication with all key racing stakeholders (e.g. RCA, BHA, The Horsemen's Group) to gauge potential views and reactions to important decisions made that impact across the industry. The company also engages with a range of stakeholders, including, but not limited to, employees, sponsors, residents in areas where racecourses and stadia operate, suppliers, media and commercial partners.
- The Board engages with all of the above stakeholders either directly or through the various management teams, at formal industry and other events, on racedays at courses and elsewhere and through various industry forums.
- There are Employee Days and team meetings across the Group which allow employees to voice any suggestions and concerns they may have. The Board and management also engage regularly with suppliers, media partners and sponsors, as well as taking feedback from customers.
- In addition, the Board and management foster strong relationships across all our locations with both Local Authorities, including individual councillors, and the local community in general via trade bodies, community groups and other relevant forums.

NORTHERN RACES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key Board Decisions

During the year, the Board made several key decisions which are considered to be in the interests of the overall success of the company and the wider sport. This year these decisions centred around ways in which to minimise the impact of the current economic climate in terms of high inflation and rising interest rates on the cost base of the business, and initiatives to support and drive turnover. These decisions have impacts on certain stakeholder groups that have, to the extent considered appropriate by the Board, been reflected in the decision-making process.

Prize Money Executive Contribution

The level of Prize Money contribution we make into our race programme is one of the most material decisions that the Board takes in any year. This impacts on the competitiveness of our business in attracting the best runners at each level of racing to our racecourses, and provides direct and indirect financial support to owners, trainers, jockeys, horsemen and their own employees. We aim to strike a balance between ensuring our leading races and festivals maintain their competitiveness in horse racing, while ensuring that we are supporting all levels of the ownership and breeding industry at both small and large racecourses.

Our decision on Prize Money contribution is traded off against other competing priorities for the Group, such as investments into property infrastructure at our racecourses, which are required to maintain the highest level of sporting and customer experience and safety for racing participants and spectators alike.

In 2022 our Prize Money decision was made in the context of forecasted post COVID income levels. The decision was taken to increase Prize Money as the Board considered the views of racing stakeholders, as well as the likely overall economic impact on the industry as a whole. This decision is reviewed through each year.

Use of Group Property Assets

The Board continuously reviews the best use of Group assets. Where land assets are considered non-sacrosanct, the Board considers development opportunities. A project at Newcastle was considered during the year. The project involves the development of the infrastructure of the racecourse.

Approval of 2022 Budget

In approving the Annual Group Budget the Board carried out a detailed review of the various commercial drivers and sensitivities in the business, including forecast media income, admissions and hospitality performance and developments in the betting industry which have had negative impacts on the business.

The Board also considered continued investment in our employees, including signing off specific budgets for training, employee medical cover and other benefits. The interests of racing stakeholders were also inherent in agreed investment in prize money (above) and other racecourse facilities.

The above considerations were given in the context of ensuring ongoing investment in customer experience and continued capital expenditure

Employee engagement

The Board considers it very important that employees are kept informed about both the financial performance of the Company, factors impacting the wider industry and more general employment related matters. As and when applicable an email is sent to employees summarising the instances where companies within the Group have been mentioned in the media along with other important news events in both horseracing and the wider sport industry. Regular emails are sent to all employees updating them on new Company policies such as safeguarding or CCO compliance.

Employee feedback is actively sought by management. Employees are routinely consulted regarding changes in their working environment and organisational changes. Consultations can be on a one-to-one basis, in a group and/or a combination of both.

There are a number of regular communications meetings. Company-wide divisional employee days are held along with annual senior management forums and regular regional update meetings. In addition, specialist functional areas meet on a regular basis such as the, Executive Directors and Financial Controllers forum meetings.

NORTHERN RACES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

We encourage the involvement of employees in the Company's performance through a bonus scheme. This is calculated and paid annually based on the financial performance of the Company compared to its annual budget target. In addition, a number of employees are eligible for a bonus scheme which is which linked to both individual KPIs and the financial performance of the Company. Our appraisal scheme means that everyone gets a full appraisal at least once a year. This includes a review of KPIs/objectives which are aligned to the business and the setting of new KPIs/objectives for the next year.

It is important that our directors are visible in the business. Directors meet new employees at our induction events at our central offices and at Raceday events. Regular board meetings are held at our locations around the country.

Principal risks and uncertainties

The company operates in the sporting and leisure sector within the UK and as such faces the same risks as other similar businesses, primarily economic welfare, the availability of disposable income and competing interests for the leisure pound.

In addition, as with any business that is conducted outdoors in the UK, a further risk is that of weather-related abandonments. It is impossible to mitigate this risk but the company does allow for a certain number of abandonments when completing its business plans.

The effects of the conflict in Ukraine on pricing is closely monitored. The company has and will manage these risks appropriately.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk, legislation and regulation risk. The financial risk management objectives and policies for each of these risks are described in more detail below.

Interest rate risk

Hedging for interest risk is not currently deemed necessary, however, with the ever-changing economic climate the position is kept under regular review by the Board.

Liquidity risk

Liquidity risk is managed centrally. The current loan facilities have been agreed at appropriate levels given the Company's forecasted operating cash flows, loan repayments, expected future capital expenditure and trading income over the course of the foreseeable future.

Credit risk

Due to the nature of the company's income streams, the exposure to credit risk is considered minimal. Of the income received by the company that is subject to credit risk, there are established credit procedures and collection policies in place which are reviewed and monitored centrally.

Legislation and Regulation risk

U.K. Exit from the European Union

The UK's departure from the European Union has given rise to some uncertainty about the possible divergence between the regulation of UK media businesses and European media businesses over time and whether Brexit will have any long-term impact on the economy. It is not yet known what effect either of these might have on the business.

Going concern

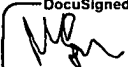
Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2022. Further details are given in note 1.2 to the accounts.

NORTHERN RACES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

DocuSigned by:

.....86E70D7809C2414...

M Spincer
Director

28 September 2023

Date:

NORTHERN RACES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company is that of a holding company. Its subsidiaries operate the racecourses at Bath, Brighton, Fontwell Park, Great Yarmouth, Hereford, Newcastle, Sedgefield and Uttoxeter.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S A J Nahum

M Spincer

K S Robertson

(Appointed 28 February 2022)

(Resigned 28 February 2022)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of Northern Races Limited.

Auditor

The auditor, Gerald Edelman LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

NORTHERN RACES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

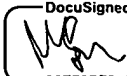
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

After reviewing the company's forecasts and projections for not less than 12 months from the date of approval of these financial statements and taking into account current financial resources, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties that give rise to significant doubt as to the company's ability to continue to prepare its financial statements on a going concern basis. Further details regarding the directors' considerations in drawing this conclusion are provided in note 1.2 to the financial statements.

On behalf of the board

DocuSigned by:

.....86E7007809C2414..

M Spicer
Director

28 September 2023

Date:

NORTHERN RACES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHERN RACES LIMITED

Opinion

We have audited the financial statements of Northern Races Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

NORTHERN RACES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NORTHERN RACES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

NORTHERN RACES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NORTHERN RACES LIMITED

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Stephen Coleman ACA
Senior Statutory Auditor
For and on behalf of Gerald Edelman LLP

28 September 2023

Date:

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

NORTHERN RACES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover	3	6,434,628	5,431,586
Administrative expenses		(5,849,910)	(4,944,474)
Other operating income		-	9,578
Profit before taxation		584,718	496,690
Tax on profit	7	2,630	(2,554)
Profit for the financial year		587,348	494,136

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NORTHERN RACES LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		2,190		2,190
Investments	9		20,281,083		20,281,083
			<u>20,283,273</u>		<u>20,283,273</u>
Current assets					
Stocks	11		7,471		7,471
Debtors	12		98,867,524		76,431,369
Cash at bank and in hand			55,720		82,979
			<u>98,930,715</u>		<u>76,521,819</u>
Creditors: amounts falling due within one year	13		<u>(103,222,262)</u>		<u>(81,400,714)</u>
Net current liabilities			<u>(4,291,547)</u>		<u>(4,878,895)</u>
Net assets			<u>15,991,726</u>		<u>15,404,378</u>
Capital and reserves					
Called up share capital	16		1,317,504		1,317,504
Share premium account			4,131,350		4,131,350
Profit and loss reserves			10,542,872		9,955,524
Total equity			<u>15,991,726</u>		<u>15,404,378</u>

28 September 2023

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

DocuSigned by:

86E70D7809C2414.....
 M Spincer
 Director

Company Registration No. 02928971

NORTHERN RACES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2021	1,317,504	4,131,350	9,461,388	14,910,242
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	494,136	494,136
Balance at 31 December 2021	1,317,504	4,131,350	9,955,524	15,404,378
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	587,348	587,348
Balance at 31 December 2022	1,317,504	4,131,350	10,542,872	15,991,726

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Northern Races Limited is a private company limited by shares incorporated in England and Wales. The registered office is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of NR Acquisitions Topco Limited. These consolidated financial statements are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Northern Races Limited is a wholly owned subsidiary of NR Acquisitions TopCo Limited and the results of Northern Races Limited are included in the consolidated financial statements of NR Acquisitions TopCo Limited which are available from Companies House.

1.2 Going concern

The directors are required to make an assessment of the appropriateness of using the going concern assumption in preparing these financial statements.

Having reviewed the company's financial forecasts and expected future cash flows, and notwithstanding the net current liabilities of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. NR Acquisitions Limited's facility agreement in place with Hightower Finance (Jersey) Limited provides sufficient headroom to enable the company to continue in operational existence. Assurance has been received from Omaha Business Holdings Corp that it will continue to make funds available to enable the company to meet its obligations as they fall due for the foreseeable future, and at least 12 months from the date of approval of these financial statements. Thus, the directors continue to adopt the going concern basis in preparing the financial statements for the period ended 31 December 2022.

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover, which principally relates to management fees received from subsidiary undertakings plus income from the media rights agreements, which are recognised equally over the life of the agreement, are shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	5 to 10 years
Fixtures, fittings & equipment	5 to 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Government grants

Government grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Other key sources of estimation and uncertainty are as follows:

Intercompany debt recoverability

An assessment of intercompany debt recoverability has been made by the Directors as at 31 December 2022. The recoverability of the debts is based on expected future trade. Due to the material nature of these balances this is considered a significant judgement area.

Recoverability of investments.

An assessment of recoverability of investments has been made by the Directors as at 31 December 2022. The recoverability of the investments is based on expected future trade of the subsidiary companies. Due to the material nature of these balances this is considered a significant judgement area.

3 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2022 £	2021 £
Other revenue		
Grants received	-	4,309
	<u> </u>	<u> </u>

Government grants relate to income received under the furlough scheme.

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(4,309)
Depreciation of owned tangible fixed assets	-	158
Group management charges - income	(6,434,628)	(5,431,586)
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total permanent staff	65	36
	<u> </u>	<u> </u>

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,808,299	4,193,660
Social security costs	613,150	531,929
Pension costs	152,560	99,385
	<u>5,574,009</u>	<u>4,824,974</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>324,706</u>	<u>328,624</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	<u>280,265</u>	<u>331,809</u>

7 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	<u>(2,630)</u>	<u>2,554</u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>584,718</u>	<u>496,690</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	111,096	94,371
Tax effect of expenses that are not deductible in determining taxable profit	95	-
Effect of change in corporation tax rate	(6,029)	-
Group relief	<u>(107,792)</u>	<u>(91,817)</u>
Taxation (credit)/charge for the year	<u>(2,630)</u>	<u>2,554</u>

NORTHERN RACES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****8 Tangible fixed assets**

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2022 and 31 December 2022	883,906	34,233	918,139
Depreciation and impairment			
At 1 January 2022 and 31 December 2022	881,716	34,233	915,949
Carrying amount			
At 31 December 2022	2,190	-	2,190
At 31 December 2021	2,190	-	2,190

9 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	10	20,281,083	20,281,083

10 Subsidiaries

Details of the company's subsidiaries, all registered and incorporated in England and Wales, at 31 December 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Bath Racecourse Company Limited	1	Ordinary	100.00
Hereford Racecourse Company Limited	1	Ordinary	100.00
High Gosforth Park Limited	1	Ordinary	100.00
Uttoxeter Leisure and Development Company Limited	1	Ordinary	92.40
Brighton Racecourse Company Limited	1	Ordinary	81.00
Sedgefield Steeplechase Company (1927) Limited	1	Ordinary	99.90
Great Yarmouth Racecourse Limited	1	Ordinary	81.00
The Fontwell Park Steeplechase Limited	1	Ordinary	100.00

Registered office addresses:

1 Millbank Tower, 21-24 Millbank, London, SW1P 4QP

11 Stocks

	2022 £	2021 £
Finished goods and goods for resale	7,471	7,471

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Amounts owed by group undertakings	98,829,494	76,405,850
Other debtors	13,019	3,138
	<u>98,842,513</u>	<u>76,408,988</u>
Deferred tax asset (note 14)	25,011	22,381
	<u>98,867,524</u>	<u>76,431,369</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,965	1,173
Amounts owed to group undertakings	103,039,266	81,232,640
Taxation and social security	149,820	137,138
Other creditors	25,211	29,763
	<u>103,222,262</u>	<u>81,400,714</u>

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	19,553	18,205
Provisions	5,458	4,176
	<u>25,011</u>	<u>22,381</u>
Movements in the year:		2022 £
Asset at 1 January 2022		(22,381)
Credit to profit or loss		(2,630)
Asset at 31 December 2022		<u>(25,011)</u>

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	152,560	99,385

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary 'A' Shares of £1 each	855,629	855,629	855,629	855,629
Ordinary 'B' Shares of £1 each	461,875	461,875	461,875	461,875
	<u>1,317,504</u>	<u>1,317,504</u>	<u>1,317,504</u>	<u>1,317,504</u>

The rights and restrictions attached to the "A" and "B" ordinary shares is set out in the company's current articles of association.

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	67,749	75,189
Between two and five years	54,256	111,074
	<u>122,005</u>	<u>186,263</u>

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Related party transactions

Transactions with related parties

The company has taken advantage of exemption, under the terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company provided management and racing services to and received racing services from the following related parties:

	Recharged and transfers to/(from)	
	2022	2021
	£	£
The Doncaster Racecourse Management Company Limited	6,478	3,873
Worcester Racecourse Limited	1,266	6,362
Uttoxeter Leisure and Development Company Limited	(231,273)	2,601
Brighton Racecourse Company Limited	3,448,082	8,986
Great Yarmouth Racecourse Limited	1,812,079	13,989
Sedgefield Steeplechase (1927) Company Limited	1,397,622	1,541

	2022	2021
	£	£
Amounts due from/(to related parties)		
The Doncaster Racecourse Management Company Limited	(76,599)	(83,077)
Worcester Racecourse Limited	(19,727)	(20,993)
Uttoxeter Leisure and Development Company Limited	(7,318,528)	(8,149,809)
Brighton Racecourse Company Limited	12,647,769	8,773,963
Great Yarmouth Racecourse Limited	12,978,046	10,762,355
Sedgefield Steeplechase (1927) Company Limited	4,601,710	2,916,455

	2022	2021
	£	£
Management charges		
Uttoxeter Leisure and Development Company Limited	1,062,553	729,966
Brighton Racecourse Company Limited	425,724	403,051
Great Yarmouth Racecourse Limited	403,612	407,584
Sedgefield Steeplechase (1927) Company Limited	287,633	267,937

Other information

The companies above are all under common control with the company.

Arena Leisure Limited, an intermediate parent undertaking within the Omaha Business Holdings Corp. group, owns an equity share in Attheraces Holdings Limited ('ATR'). During the year ended 31 December 2022, S Nahum and K Robertson were Directors of ATR. During the year, the Group made sales of £14,787,699 (2021: £13,222,520) to ATR. The amount due at year end is £nil (2021: £nil).

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Ultimate controlling party

- The immediate parent company is Northern Racing Limited. The ultimate parent company is Omaha Business Holdings Corp., a company registered in the British Virgin Islands.

The company's ultimate UK parent is NR Acquisitions Topco Limited. NR Acquisitions Topco Limited prepares group financial statements and copies can be obtained from Companies House.

The registered address and principal place of business of NR Acquisitions Topco Limited and Northern Racing Limited is Millbank Tower, 21-24 Millbank, London, SW 1P 4QP.

The registered address and principal place of business of Omaha Business Holdings Corp is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.